



Information for Town and Parish Councils

Community Infrastructure Levy (CIL)

New Forest District Council (outside the National Park)

Cabinet Version - October 2023

New Forest District (outside the National Park)



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1. Introduction

- 1.1. We have produced this guide to assist Town and Parish Councils (TPCs) within the district (outside the National Park) to understand their responsibilities relating to Community Infrastructure Levy (CIL). Further information is available on our website and advice is available from planning officers.
- 1.2. CIL is a levy that local authorities charge on developments to assist in the delivery of infrastructure to support development in their area. The levy was introduced by the government through the Planning Act 2008 and the subsequent CIL Regulations 2010 (as amended).
- 1.3. Our CIL is only chargeable on C3 residential development, all other developments will not be charged CIL. The charging schedule is indexed and updated each year and can be found at: <https://newforest.gov.uk/media/126/CIL-Charging-Schedule/pdf/cil-charging-schedule.pdf?m=637208147460270000>. The adopted CIL rate is £80, but with indexation with CIL figure for 2023 is calculated at £109.23 (rounded). The current annual CIL figure is published on our website.
- 1.4. Affordable housing (i.e. social rented, affordable rented and first homes) and self build housing qualify for 100% relief from CIL. This means a developer will not pay CIL on affordable housing or a self build house, provided they claim the relief.
- 1.5. We are responsible for collecting, administering, monitoring, and enforcing developer contributions secured through CIL. This includes calculating the amount of CIL payable on individual developments, monitoring commencement of development and payment of CIL and calculating the amount of CIL to be passed on to TPCs.

2. CIL income paid to Town and Parish Councils

- 2.1 A portion of CIL income is paid to TPCs to be spent by them to offset the impacts of development in the area. The TPC must report on the CIL received and spent each year. CIL payments to TPCs are made in April & October each year and are based on what development has taken place in that area and whether it has a 'made' Neighbourhood Plan in place.
- 2.2 TPCs that have a Neighbourhood Plan - 25% of income received for development in the TPC area, which is uncapped. This will only apply to permissions granted after any neighbourhood plan is made.
 - TPCs with no Neighbourhood Plan - 15% of income received capped at £100 per council tax dwelling i.e. a Parish or Town with 500 dwellings cannot receive more than £50,000 of CIL receipts per year.
 - NFDC will update the number of council tax dwellings per TPC prior to calculating amounts due.
- 2.3 Development becomes CIL liable on the approval of a full planning application or, for outline applications, once the reserved matters have been approved. CIL is payable



within 60 days of commencement of development or in line with NFDC's Instalment Policy where the CIL charge meets the defined thresholds.

- 2.4 The instalment policy currently offered can be seen at:
<https://newforest.gov.uk/media/128/CIL-Instalment-Policy/pdf/cil-instalment-policy.pdf?m=637208147976730000>

3. When and how will the Parish / Town Council receive CIL monies?

- 3.1 CIL payments to TPCs are paid twice a year for the preceding 6 months' income. CIL income received between 1st April and 30th September will be paid by 28th October and CIL income received between 1st October and 31st March will be paid by 28th April.
- 3.2 Payments to TPCs are calculated on 31st March and 30th September and can only include monies from CIL contributions that have been made by the developer and are confirmed as deposited in NFDCs bank account.
- 3.3 The contributions will be made via a BACS transfer to the TPC bank account held on the NFDC system and clerks (or nominated officers) will receive a summary of the individual contributions transferred.

4. What can Town and Parish Councils spend CIL on?

- 4.1 How TPCs can spend money is set out in the Community Infrastructure Levy Regulations at Regulation 59C:

A local council must use CIL receipts passed to it in accordance with regulation 59A or 59B to support the development of the local council's area, or any part of that area, by funding —

the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area

- 4.2 Examples of potential infrastructure items includes:

- Allotments
- Litter bins
- Monuments / memorials
- Public Toilets
- Provision of parking places for vehicles, bikes, and motorbikes
- Seats / shelters / bus shelters
- Signage / public notices
- Community gardens/ open space



- Children's play spaces
- Tree Planting
- Projects to improve the public realm, like bulb planting by residents, public artwork etc.
- The installation of defibrillators
- Climate change / 'Green' projects

4.3 Examples of projects CIL income cannot be spent on:

- Firework Displays, Carnivals, Christmas Lights,
- Improvements to Council Offices or other operational buildings,
- Provision of improvements to existing allotments sites e.g. locker rooms or toilets, that do not address the demands imposed on an area by development i.e. additional allotments
- Ground maintenance, verge mowing or hedge cutting.
- Improvements to parks and other open spaces that 'do not address the demands imposed on the area by development'

Note: the lists above are not exhaustive.

4.4 Providing CIL is spent in accordance with Regulation 59C, CIL monies may be used as match funding with other income streams and / or may be spent collaboratively with other parish councils, community interest companies or other providers to make the most efficient use of funding to benefit the community.

5. How can Parish Councils identify projects?

- 5.1 It is important for parishes to consult with the local community to develop a list of the infrastructure priorities in the area. Publishing these priorities can help projects to be delivered in a timely and transparent way.
- 5.2 Through community engagement, the TPC could encourage the community to submit ideas for the neighbourhood portion of CIL, and the list of projects would be the primary starting point for the TPC to make decisions on allocating the funding. Other sources of information, e.g. area planning documents can be used by communities to identify infrastructure projects to support development.
- 5.3 A selection criterion for projects that a TPC may consider are that the project must:
- Meet the terms of the CIL Regulations (2010)
 - Reflect the priorities of the Council and Neighbourhood
 - Have community backing (including any adopted Neighbourhood Plan)
 - Support, or mitigate the impact of development in an area



- Be a one-off project (or identify and agree longer-term revenue implications)
- Benefit the broadest section of the community
- Provide value for money

6. What if the Parish / Town Council mis-spend or do not spend their CIL income?

- 6.1 Please note - after a period of 5 years from the date CIL income is received, if it is not spent in full then NFDC may reclaim monies back by sending the TPC a repayment notice; NFDC would spend the CIL income on their behalf and in consultation with the TPC. Exceptions may be made if the TPC can demonstrate they have allocated their CIL income to a particular project for which they are accumulating funds before spending.
- 6.2 If the TPC mis-spends CIL income, i.e. if it has not spent CIL in accordance with the CIL Regulations NFDC will send the TPC a repayment notice for the mis-spent funds. The TPC must repay the amount specified in the notice to the District. If a TPC wishes to obtain prior approval from NFDC for planned projects in advance of incurring expenditure they may do so.
- 6.3 If the TPC is unable to repay the amount specified in the repayment notice we will recover the amount from future CIL income the TPC are due to receive.

7. How do Town and Parish Councils procure projects?

- 7.1 Each Town and Parish Council will have financial regulations that govern the conduct of financial management by the Council.
- 7.2 Financial regulations are observed in conjunction with the Council's standing orders and any individual financial regulations relating to contracts. Therefore, each individual TPC must decide the way in which to pay the funding to projects either via direct funding themselves (through a successful procurement exercise) or via awarding funding to an appropriate group.
- 7.3 There could also be VAT implications which may need to be considered.

8. Town and Parish Council reporting responsibilities

- 8.1 The TPC must record all CIL receipts, carried over CIL, and expenditure for each year.
- 8.2 The reporting Year runs from 1 April to 31 March and must be published on the TPC website no later than 31 December following the reporting year. A copy must also be sent to us and we will publish either the document (or a link to the website) on our site.
- 8.3 The reporting requirements are set out by in Regulation 121B of the CIL Regulations which state:

A parish council must prepare a report for any financial year ("the reported year") in which it receives CIL receipts.



The report must include—

- a) the total CIL receipts for the reported year;
- b) the total CIL expenditure for the reported year;
- c) summary details of CIL expenditure during the reported year including—
 - i) the items to which CIL has been applied;
 - ii) the amount of CIL expenditure on each item;
- d) details of any notices received in accordance with regulation 59E, including—
 - i) the total value of CIL receipts subject to notices served in accordance with regulation 59E during the reported year;
 - ii) the total value of CIL receipts subject to a notice served in accordance with regulation 59E in any year that has not been paid to the relevant charging authority by the end of the reported year;
- e) the total amount of—
 - i) CIL receipts for the reported year retained at the end of the reported year;
 - ii) CIL receipts from previous years retained at the end of the reported year.

9. Further Information

9.1. NFDC website

<https://www.newforest.gov.uk/cil>

9.2. CIL Guidance

<https://www.gov.uk/guidance/community-infrastructure-levy>

9.3. Planning Portal

<https://www.planningportal.gov.uk>

9.4. Neighbourhood Planning CIL Toolkit

<https://neighbourhoodplanning.org/toolkits-and-guidance/understanding-community-infrastructure-levy-cil/>

9.5. Specific queries relating to CIL can be directed to

developer.contributions@nfdc.gov.uk

